



California Fair Political Practices Commission

June 14, 1989

Callen M. Lockett
Vice President
Security Pacific Corporation
333 South Hope Street
Los Angeles, CA 90071

Re: Your Request for Advice
Our File No. A-89-264

Dear Mr. Lockett:

You have requested advice regarding the campaign provisions of the Political Reform Act (the "Act").¹

QUESTION

Security Pacific's federal committee has received contributions from more than 100 persons. Security Pacific's state committee has not received contributions from 100 persons. If Security Pacific transfers, with the contributors' permission, a portion of each contribution from its federal committee to its state committee, would the state committee meet the 100-contributor requirement to qualify as a broad based political committee?

CONCLUSION

The procedure described above would not satisfy the requirement that a broad based political committee receive contributions from at least 100 persons.

FACTS

You indicated that Security Pacific's state committee is seeking to become a broad based political committee. As you are aware, a committee must meet three criteria to be eligible to be a broad based political committee. One of those criteria is that the committee receive contributions from at least 100 persons. To meet that requirement, you intend to contact at least 100 contributors to Security Pacific Corporation Active Citizenship Today Committee Federal and, with their permission, transfer either all or a portion of their contributions made since January 1, 1989, to Security Pacific Corporation Active Citizenship Today Committee, a California state committee.

¹Government Code Sections 81000-91015. All statutory references are to the Government Code unless otherwise indicated. Commission regulations appear at 2 California Code of Regulations Section 18000, et seq. All references to regulations are to Title 2, Division 6 of the California Code of Regulations.

ANALYSIS

According to Regulation 18215(c), payments received by one committee may be "earmarked" for another committee and would meet the definition of a contribution to the second committee if, "at the time of making the payment, the donor knows or has reason to know that the payment or funds with which the payment will be commingled will be used to make contributions" in California. (Emphasis added.) From the information you provided, there is no indication that donors knew at the time of making their payments that their payments would be used to make contributions in California. Therefore, if the federal committee transferred these funds to the state committee, the funds would be a contribution from the federal committee to the state committee, and would not be contributions from the persons who contributed to the federal committee. Under Section 85302, a "political committee" such as the state committee can receive a maximum contribution of \$2,500 in a fiscal year from another committee for the purpose of making contributions to candidates.

To clarify another provision of becoming a broad based political committee, the state committee must make contributions to at least five candidates within this fiscal year and the two previous fiscal years combined. (Section 85102 and Regulation 18502, copies enclosed.) (Your letter indicated that the state committee will make "five contributions to California candidates.")

Since the state committee has been a California recipient committee since 1977, it meets the requirement that a broad based political committee be in existence for at least six months.

If you have additional questions, please contact me at (916) 322-5662.

Sincerely,

Kathryn E. Donovan
General Counsel

By:


Kevin S. Braaten-Moen
Political Reform Consultant

Enclosures



SECURITY PACIFIC NATIONAL BANK

CALLEN M. LOCKETT
VICE PRESIDENT

April 24, 1989

Ms. Jeanne Pritchard
Division Chief, Technical Assistance and Analysis
Division
Fair Political Practices Commission
428 J Street, Suite 800
Sacramento, California 95814

Dear Ms. Pritchard:

This letter requests formal written advice pursuant to Government Code, Section 83114(b) and confirms telephone advice that Security Pacific Corporation received from the Fair Political Practices Commission ("FPPC") on March 28, 1989 from Kevin Braaten-Moen regarding qualification of an existing California recipient committee as a broad based political committee ("BBPC").

As treasurer of Security Pacific's California PAC, I am the person whose duties are in question by this request for formal advice (2 California Administrative Code, Section 18329).

Section 85102 of the Government Code defines a BBPC as a committee which has existed for more than six months, has received 100 or more contributions, and has made 5 or more contributions to candidates. The FPPC has promulgated regulations implementing this section (2 California Administrative Code, Section 18502). This letter requests clarification and application of the law and regulations to the specific facts for the qualification of Security Pacific Active Citizenship Today Committee ("SPACT") as a BBPC.

SPACT, identification number 770805, has met the six month requirement because it has been registered as a recipient committee since 1977.

Ms. Jeanne Pritchard
April 24, 1989
Page Two

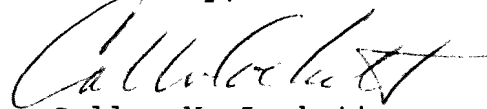
In addition, SPACT must make or have made five or more contributions to California candidates. By regulation, the Commission has interpreted the time period for such contributions to be within the current and two preceding fiscal years (California Administrative Code, Section 18502). While SPACT has not made contributions to date, it will make five contributions to California candidates before it seeks to become a BBPC.

As of this date, SPACT has not received contributions from 100 or more contributors. However, we have recently completed a solicitation for Security Pacific Corporation Active Citizenship Today Committee Federal, the federal separate segregated fund of Security Pacific Corporation. We intend to contact at least 100 contributors to that committee and, with their permission, transfer either all or a portion of their contributions made since January 1, 1989 to the state committee.

After satisfying these three criteria, SPACT's Statement of Organization (Form 410), must be amended to designate the committee as a BBPC. Following that amendment, SPACT may make contributions of up to \$5,000.00 per candidate each fiscal year.

Please confirm that SPACT will qualify as a BBPC if it proceeds in the manner discussed above. If you have any questions, please do not hesitate to contact me at (213) 345-5466.

Sincerely,



Callen M. Lockett
Vice President
Security Pacific Corp.
333 South Hope Street
Los Angeles, CA 90071



SECURITY PACIFIC NATIONAL BANK

COLLEEN M. LOCKETT
VICE PRESIDENT

April 24, 1989

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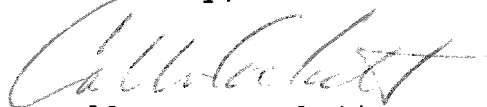
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Callen M. Lockett
Vice President
Security Pacific Corp.
333 South Hope Street
Los Angeles, CA 90071



California Fair Political Practices Commission

May 4, 1989

Callen M. Lockett
Vice President
Security Pacific Bank Corp.
333 South Hope Street
Los Angeles, CA 90071

Re: Letter No. 89-264

Dear Mr. Lockett:

Your letter requesting advice under the Political Reform Act was received on May 1, 1989 by the Fair Political Practices Commission. If you have any questions about your advice request, you may contact me directly at (916) 322-5662.

We try to answer all advice requests promptly. Therefore, unless your request poses particularly complex legal questions, or more information is needed, you should expect a response within 21 working days if your request seeks formal written advice. If more information is needed, the person assigned to prepare a response to your request will contact you shortly to advise you as to the information needed. If your request is for informal assistance, we will answer it as quickly as we can. (See Commission Regulation 18329 (2 Cal. Code of Regs. Sec. 18329).)

You also should be aware that your letter and our response are public records which may be disclosed to the public upon receipt of a proper request for disclosure.

Very truly yours,

A handwritten signature in cursive script that reads "Jeanne Pritchard" followed by a flourish.

Jeanne Pritchard
Chief Technical Assistance
and Analysis Division

JP:plh